



July 2003

Siberian Investment Co.

Domestic liquidity drove the market higher finding homes in stocks like UES, Norilsk Nickel, Sberbank and MTS. Norilsk Nickel rose 40% for the month as nickel prices soared due to a strike at Inco, the Western world's largest nickel producer. Unlike May our overweight UES, underweight Norilsk Nickel position did not perform for us but we feel comfortable with this position going forward, looking for a UES target price of 0.35 cents. We added a position in Golden Telecom where we believe the business is in the process of making a number of acquisitions which will consolidate its position as the leading operator in the Moscow market.

Caution is the watchword but the market for all its exuberance is supported by strong underlying fundamentals. Investment in May was up 14.7% yoy, the highest reading since November 2000. Consumption remains strong owing to the high growth rate in real wages (+9.6% yoy) and an increase in consumer credit. Retail trade was also up 10% yoy. President Putin was in London for a state visit where the BP TNK deal was officially signed. Putin continues to be an effective operator on the international stage and his grip on power at home must be a key reason in BP's foray back into the Russian oil and gas sector. May this trend continue.

Given the attractive valuations of the stock and the market (6.7x PE 03) while foreign investors may not wish to buy stocks across the board, the fund manager feels comfortable holding stocks at these levels.

Top 10 Holdings

Company	% NAV	Company	% NAV
Yukos	16.6	Gazprom ADR Reg S	6.3
Unified Energy Systems (GDRs & Pref)	12.9	Uralskie Mashinostroitelniye Zavody	4.0
Sibneft	11.4	Syberiantelecom	3.1
Mobile Telesystems ADS	8.7	Rostelecom (Ord & Pref)	3.1
Sberbank	8.3	Tumen Oil Company	2.5
			76.9%

Siberian Investment Co. Performance

	<i>LG Fund</i>	<i>RTS Index</i>	<i>Micropal Russian Universe</i>
Last month	4.4	6.4	5.3
Last 3 months	30.9	36.3	31.8
Last 6 months	35.2	39.1	38.9
Year to date	35.2	39.1	38.9
Last 1 year	43.1	41.5	45.3
Last 2 years	144.2	130.9	113.0
Last 3 years	305.4	206.3	180.5
Last 4 years	321.8	303.0	233.6
Last 5 years	187.2	224.3	170.3
Last 6 years	26.5	19.3	7.5
Since inception	56.5	51.3	42.9

Micropal Ranking in Russia closed & open-ended funds

	<i>Last month</i>	<i>Last 3 months</i>	<i>Last 6 months</i>	<i>Last 1 year</i>	<i>Last 2 years</i>	<i>Last 3 years</i>	<i>Last 4 years</i>	<i>Last 5 years</i>	<i>Last 6 years</i>	<i>Since inception</i>
Sibinco	25	22	25	18	7	3	5	12	4	6
No. of funds	35	35	35	34	32	32	26	24	14	12

Sector Breakdown

Sector	% NAV
Oil & Gas	42.4
Chemicals	0.4
Metals	5.6
Telecommunications	20.6
Engineering	4.5
Energy	18.9
Funds	0.5
Banking	8.3
Consumer	1.0
Others	0.0
Shipping	0.9
Cash	-3.1
Total	100.0

Siberian Investment Co.

INVESTMENT OBJECTIVE

The principal investment objective of the Fund is to provide Shareholders with long-term capital appreciation through investment primarily in a diversified portfolio of traded securities of Russian companies whose principal business activities are in the regions of the Russian Federation located east of the Ural Mountains.

LLOYD GEORGE MANAGEMENT

Lloyd George Management is an independent company predominantly owned by its senior management team. We have additional shareholders in the United States, Germany and Japan. Established by Robert Lloyd George in 1991, Lloyd George Management provides investment management in Asian and emerging markets equities for both private clients and institutional investors. The company comprises a team of highly experienced fund managers each offering a specialised area of knowledge, the senior management team having an average of 16 years investment experience.



EDWARD ROBERTSON - FUND MANAGER

Prior to joining Lloyd George Management, Edward Robertson moved to Hong Kong in 1992, where he lived for five years working for the South China Morning Post and subsequently for Cazenove & Co. and Nava Standard Chartered Securities where he was responsible for Sales of South East Asian securities to institutional clients. In 1999, he joined Lloyd George Management where he runs the Siberian Fund and covers the EMEA region.

General information

The Siberian Investment Co. is a closed-ended designated investment company incorporated in Ireland.

This is neither an offer to sell nor a solicitation of any offer to buy shares in any fund managed by us. Any offering is made only pursuant to the relevant information memorandum, together with the current financial statements of the relevant fund, if available, and the relevant subscription application, all of which must be read to their entirety. No offer to purchase shares will be made or accepted prior to receipt by the offeree of these documents and the completion of all appropriate documentation. The shares have not and will not be registered for sale, and there will be no public offering of the shares. No offer to sell (or solicitation of an offer to buy) will be made in any jurisdiction in which such offer or solicitation would be unlawful. Past performance of a fund is no guarantee as to its performance in the future.

Inception date:	February 1997
NAV per share	US\$15.65
No. of shares	1,791,369
Fund size	US\$28.04 million
Cash holding (%NAV)	-0.9%
Number of holdings	33

Fund information as at 30th June 2003

For further information, please contact:

Dominic Johnson
Marketing & Sales
Lloyd George Management (Europe) Ltd.
25 Grosvenor Street, London W1K 4QN

Tel: (44) 020 7495 8688 Fax: (44) 020 7495 8651

Email: info@uk.lloydgeorge.com